



January 25, 2005

HOUSE BILL No. 1325

DIGEST OF HB 1325 (Updated January 18, 2005 1:01 pm - DI 77)

Citations Affected: Noncode.

Synopsis: Prescription drug advisory committee. Extends the prescription drug advisory committee (committee) and the members' terms to December 31, 2007. Requires the committee to make recommendations before September 1, 2005, to the secretary of the office of the secretary of family and social services (secretary) and the governor concerning redesigning the prescription drug program (program) to not conflict with the federal Medicare prescription drug benefit program. Allows the secretary to: (1) implement the committee's recommendations; (2) complete federal applications; and (3) enroll eligible individuals in the state program and the federal Medicare prescription drug benefit.

Effective: Upon passage.

Becker, Brown C, Budak, Murphy

January 13, 2005, read first time and referred to Committee on Public Health.
January 24, 2005, amended, reported — Do Pass.

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HB 1325—LS 6657/DI 104+



January 25, 2005

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

HOUSE BILL No. 1325

A BILL FOR AN ACT concerning human services.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. P.L.106-2002, SECTION 1 IS AMENDED TO READ
2 AS FOLLOWS [EFFECTIVE UPON PASSAGE] SECTION 1. (a) The
3 Indiana prescription drug advisory committee is established to:

- 4 (1) study pharmacy benefit programs and proposals, including
5 programs and proposals in other states; and
6 (2) make initial and ongoing recommendations to the governor for
7 programs that address the pharmaceutical costs of low-income
8 senior citizens.

9 (b) The committee consists of eleven (11) members appointed by
10 the governor and four (4) legislative members. The term of each
11 member expires December 31, ~~2005~~ **2007**. The members of the
12 committee appointed by the governor are as follows:

- 13 (1) A physician with a specialty in geriatrics.
14 (2) A pharmacist.
15 (3) A person with expertise in health plan administration.
16 (4) A representative of an area agency on aging.
17 (5) A consumer representative from a senior citizen advocacy
18 organization.

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(6) A person with expertise in and knowledge of the federal Medicare program.

(7) A health care economist.

(8) A person representing a pharmaceutical research and manufacturing association.

(9) A township trustee.

(10) Two (2) other members as appointed by the governor.

The four (4) legislative members shall serve as nonvoting members. The speaker of the house of representatives and the president pro tempore of the senate shall each appoint two (2) legislative members, who may not be from the same political party, to serve on the committee.

(c) The governor shall designate a member to serve as chairperson. A vacancy with respect to a member shall be filled in the same manner as the original appointment. Each member is entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties. The expenses of the committee shall be paid from the Indiana prescription drug account created by IC 4-12-8. ~~as added by this act.~~ The office of the secretary of family and social services shall provide staff for the committee. The committee is a public agency for purposes of IC 5-14-1.5 and IC 5-14-3. The committee is a governing body for purposes of IC 5-14-1.5.

(d) Not later than September 1, 2004, the committee shall make program design recommendations to the governor and the family and social services administration concerning the following:

(1) Eligibility criteria, including the desirability of incorporating an income factor based on the federal poverty level.

(2) Benefit structure.

(3) Cost-sharing requirements, including whether the program should include a requirement for copayments or premium payments.

(4) Marketing and outreach strategies.

(5) Administrative structure and delivery systems.

(6) Evaluation.

(e) The recommendations **described in subsection (d)** shall address the following:

(1) Cost-effectiveness of program design.

(2) Coordination with existing pharmaceutical assistance programs.

(3) Strategies to minimize crowd-out of private insurance.

(4) Reasonable balance between maximum eligibility levels and

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maximum benefit levels.

(5) Feasibility of a health care subsidy program where the amount of the subsidy is based on income.

(6) Advisability of entering into contracts with health insurance companies to administer the program.

(f) Not later than September 1, 2005, the committee shall submit recommendations to the secretary of the office of the secretary of family and social services and the governor concerning the redesign of the Indiana prescription drug program established by IC 12-10-16-3 to coordinate the program with the federal Medicare prescription drug benefit program. The recommendations must include the following:

(1) Methods, including automatic enrollment, that the state should use to ensure that current Indiana prescription drug program enrollees are enrolled in the federal Medicare prescription drug benefit program.

(2) Changes to the financial eligibility level requirements for the Indiana prescription drug program, including eligibility requirements that include individuals whose income does not exceed two hundred percent (200%) of the federal poverty level (as defined by IC 12-15-2-1).

(3) Methods to assist current enrollees in the Indiana prescription drug program in completing applications and to determine eligibility in the Medicare drug beneficiary subsidy program.

(4) Changes to benefits offered under the Indiana prescription drug program, including the following:

(A) Coverage for federal Medicare prescription drug benefit:

(i) deductibles; or

(ii) premiums.

(B) Coverage for prescription drug costs that are not covered by the federal Medicare prescription drug benefit or the federal Medicare prescription drug plans.

(5) Methods to maximize use of federal funding available to Indiana under the federal Medicare Modernization Act to maximize enrollment in:

(A) the federal Medicare prescription drug benefit program; and

(B) the Indiana prescription drug program.

The committee shall make recommendations in a manner that would expend but not exceed the Indiana prescription drug

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1 program's budget.
 2 (g) The office of the secretary of family and social services may:
 3 (1) implement the recommendations made by the committee
 4 under subsection (f);
 5 (2) act as the authorized representative and signatory to
 6 complete:
 7 (A) any federal low income Medicare drug beneficiary
 8 subsidy application; and
 9 (B) any federal Medicare prescription drug benefit
 10 application; and
 11 (3) enroll eligible individuals for the Indiana prescription
 12 drug program and the federal Medicare prescription drug
 13 benefit program.
 14 (f) (h) The committee may ~~not~~ recommend the use of funds from the
 15 Indiana prescription drug account for a state prescription drug benefit
 16 for low-income senior citizens if there is a federal statute or program
 17 providing a similar prescription drug benefit for the benefit of
 18 low-income senior citizens.
 19 (g) (i) This SECTION expires December 31, ~~2005~~ 2007.
 20 SECTION 2. An emergency is declared for this act.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1325, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 3, delete lines 6 through 42, begin a new paragraph and insert:

"(f) Not later than September 1, 2005, the committee shall submit recommendations to the secretary of the office of the secretary of family and social services and the governor concerning the redesign of the Indiana prescription drug program established by IC 12-10-16-3 to coordinate the program with the federal Medicare prescription drug benefit program. The recommendations must include the following:

(1) Methods, including automatic enrollment, that the state should use to ensure that current Indiana prescription drug program enrollees are enrolled in the federal Medicare prescription drug benefit program.

(2) Changes to the financial eligibility level requirements for the Indiana prescription drug program, including eligibility requirements that include individuals whose income does not exceed two hundred percent (200%) of the federal poverty level (as defined by IC 12-15-2-1).

(3) Methods to assist current enrollees in the Indiana prescription drug program in completing applications and to determine eligibility in the Medicare drug beneficiary subsidy program.

(4) Changes to benefits offered under the Indiana prescription drug program, including the following:

(A) Coverage for federal Medicare prescription drug benefit:

(i) deductibles; or

(ii) premiums.

(B) Coverage for prescription drug costs that are not covered by the federal Medicare prescription drug benefit or the federal Medicare prescription drug plans.

(5) Methods to maximize use of federal funding available to Indiana under the federal Medicare Modernization Act to maximize enrollment in:

(A) the federal Medicare prescription drug benefit program; and

(B) the Indiana prescription drug program.

The committee shall make recommendations in a manner that

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would expend but not exceed the Indiana prescription drug program's budget.

(g) The office of the secretary of family and social services may:

(1) implement the recommendations made by the committee under subsection (f);

(2) act as the authorized representative and signatory to complete:

(A) any federal low income Medicare drug beneficiary subsidy application; and

(B) any federal Medicare prescription drug benefit application; and

(3) enroll eligible individuals for the Indiana prescription drug program and the federal Medicare prescription drug benefit program."

Page 4, line 1, strike "not".

and when so amended that said bill do pass.

(Reference is to HB 1325 as introduced.)

BECKER, Chair

Committee Vote: yeas 11, nays 0.

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